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## Background

A good education system is important to families, businesses and serves as a marker for the success of our children, the communities we live in and the economy. Today, the United States has some of the finest schools, colleges and universities in the world, and America spends more money in the aggregate per pupil at all levels of education than any other nation.

There are many areas of agreement when it comes to education. One is how important it is for all our students to perform well. The other is a demand for accountability in the educational process and how we use our money.

Surprisingly, one of the most obvious areas of accountability gets scant attention. In recent years, the number of private, for-profit colleges has exploded across the country, fueled almost entirely by federal grants, veterans' educational benefits, and student loans. They are ubiquitous. You can't turn on daytime commercial television without being bombarded with for-profit school advertisements.

Unfortunately, while a few of these colleges do a good job, most do not. Far too many students are enrolled and are unable to complete their courses of study, or even when they graduate they have certificates and credits that don't help them get a job and are not transferrable to other institutions of higher education.

Part of this reason is that most of these institutions spend more on recruiting students than they do on educating them. When you count in huge amounts of money for overhead, profit, and salaries, very little actually goes to the benefit of the student. Many students end up paying far more than they would at a community college for a product that doesn't work. Though these students make up approximately 10% of the higher education population, they represent close

to a quarter of the students receiving federal financial aid and nearly half of students who default on their loans. In addition, more than a quarter of for-profit institutions receive 80 percent of their revenues from taxpayer-financed Federal student aid.

The greatest tragedy, of course, is that the students themselves are left with massive amounts of student debt that can never be discharged in bankruptcy, and has the potential of being an economic millstone around their necks.

### Solution

Congressman Blumenauer is an advocate for increased federal support for higher education with increased Pell Grants and reforming the student loan program.

He is also supports the modest reforms proposed by the administration that would deny institutions that fail students and leave most of them without jobs and with massive debt, from being able to continue to milk the student loan program. Predictably, there has been a furious counter-attack by this extraordinarily profitable group of special interests, and sadly Congress has not stood up to them. Even more frustrating, the business community that relies so heavily on a well-trained workforce and demands accountability has been strangely silent about this private sector abuse.

Blumenauer believes we should strongly support and strengthen these simple, common sense reforms proposed by the federal Department of Education, but more fundamentally make sure that citizens, businesses, and people in higher education demand accountability for all institutions that utilize the federal student loan programs. We can't afford to waste a dollar, or to disadvantage a single student.

### <Previous Idea

[Next Idea>](#)

